

CITY OF EDEN, N. C.

A special (retreat) meeting of the City Council, City of Eden was held on Saturday, February 26, 2010 at 8:30 a.m., in the Council Chambers, 308 East Stadium Drive. Those present for the meeting were as follows:

Mayor:	John E. Grogan
Mayor Pro Tem:	Wayne Tuggle, Sr.
Council Members:	Gene Hagood
	Donna Turner
	Darryl Carter
	James Burnette
	Jerry Epps
	Jerry Ellis
City Manager:	Brad Corcoran
City Clerk:	Sheralene Thompson
City Attorney:	Erin Gilley
Department, Division Heads and Staff:	

MEETING CONVENED:

Mayor Grogan called the special meeting of the City Council to order and welcomed those in attendance. He then asked for a motion to open the meeting made by Council Member Tuggle and seconded by Council Member Hagood. All Council Members voted in favor of this motion. Mayor Grogan then turned the meeting over to the City Manager, Brad Corcoran.

Review of City Council Priorities for FY2011 - 12 & Budget/Planning Retreat Materials:

Priorities Submitted By Mayor & Members Of City Council for February 26, 2011
Budget/Planning Retreat:

Long Term Priorities – Next Five Years:

Priorities for FY 2011-12 Budget Year:

Results for FY2009-2010 and 2010-11 Budget Years

Mr. Corcoran asked if there were any questions about any of the material listed above.

Council Member Burnette asked for clarification from the attorney on in rem foreclosure. He stated that there was a difference there and he asked for an explanation as to how it would help them.

The City Attorney, Ms. Erin Gilley, explained that in talking about foreclosing and collecting on nuisance abatements and minimum housing code violations, the in rem foreclosure method was an alternative to filing a lawsuit in district court. She explained that it cuts down on some time and some cost as opposed to when you have to file a lawsuit you have to do title search and file a suit against all property owners and you have to set it on the calendar for district court which was

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

a minimum of about six weeks to get on the calendar and at that point you serve all your parties. That could take six (6) weeks to a year. She explained that in rem foreclosure was different. You basically have your bills that are sent out as you normally do and once you demolish a house, send your bill out to your property owners and if they do not pay then you decide to foreclose on the property. You send notices to your property owners (all listed in the procedure) and if you cannot get service on them because you cannot find them or they are unknown, then you place an ad in the paper notifying all property owners and wait 30 days. After 30 days you are then able to file your lien in superior court. The minimum fee to take the form to the clerk of superior court to docket it was about \$30 as opposed to filing a lawsuit. You wait about three months from that point and at that point you can request the Sheriff to foreclose on the property. The Sheriff's sale is advertised but it is less expensive. She added that you can combine your ads in the paper into one advertisement so you are also cutting those costs.

Council Member Hagood asked if that was assuming local ownership, someone you can feel and touch.

Ms. Gilley replied no and explained that actually this procedure can be used for unknown owners, incompetents or minors and that was why attorneys have not been so keen on doing it for years but it has just been confirmed and authorized and that made her feel a little more comfortable in doing it. She pointed out that when a buyer comes in and buys the property the problem has been that they would not be able to get title insurance on the property because it has been foreclosed in this manner but the law says that after a year of city ownership after a foreclosure in this manner you can pass the title so that was one benefit.

Complete copies of all information the City Manager presented is located in the office of the City Clerk and also on the city's website.

Review & Consideration of Automated Meter Reading System:

Complete copies of all PowerPoint presentations are in the office of the City Clerk.

Mr. Corcoran began with the PowerPoint presentation on the Automated Meter Reading System.

Historical Information

He explained that Automatic Meter Reading, or AMR is the technology of automatically collecting consumption, diagnostic, and status data from a water meter and transferring that data to a central database for billing, troubleshooting, and analyzing. This timely information coupled with analysis, can help both utility providers and customers better control the use and production of water consumption.

AMR was first tested approximately 48 years ago by AT&T in cooperation with a group of utilities and Westinghouse. At that time, the \$2.00 per meter cost was four times the monthly

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

cost of a person to read a meter - at \$0.50 cents per meter. As such, the program was considered economically unfeasible.

In 1977, Metrotek, Inc., developed and produced the first fully automated, commercially available remote meter reading and load management systems.

In 1985, Hackensack Water Company and Equitable Gas Company were the first to commit to full-scale implementation of AMR on water and gas meters.

Today, as they would note in the initial information packet, there were many communities throughout the United States and the State of North Carolina that have already proceeded with the acquisition and implementation of AMR Technology. As a result of that this technology has an established track record.

Background Information

The discussion concerning the purchase and utilization of Automated Meter Reading (AMR) Technology actually began about three years ago. On May 21, 2008 several members of their city staff traveled to the Town of North Wilkesboro, N.C. to see the AMR Technology in action. He explained that the reason they were selected was because North Wilkesboro also used the LOGICS software package which was what city staff uses.

In early 2009 staff investigated funding opportunities through the American Recovery and Reinvestment Act (ARRA). In February of that year a funding application was submitted to North Carolina Department of Environment and Natural Resources (NC-DENR) through its Public Water Supply Section (PWSS) of the Drinking Water Supply Revolving Fund (DWSRF). A second funding application was submitted to the Clean Water State Revolving Fund (CWSRF). Unfortunately, neither of these funding applications was approved.

Last year about this time, you may recall, Ms. Tammie McMichael, Director of Finance & Personnel made a presentation on the AMR Technology. As a result of that presentation and Council's continued interest in considering the AMR system further a total of \$207,800 has been included in the current FY 2010-11 budget that was adopted on May 18, 2010 to begin the implementation of this project if formally approved by the City Council.

In June of 2010, Councilman Jim Burnette and members of city staff attended an Automated Meter Reading Technology Seminar that was sponsored by Carolina Meter in Greensboro.

From June 2010 through September 2010, city staff worked with representatives from Brady Energy Services to evaluate a number of different potential initiatives, one of which was AMR Technology.

On September 9, 2010, representatives from Brady Energy Services submitted a formal Energy and Infrastructure Optimization Proposal which included the implementation and installation of the AMR system. At that point in time their quote plus or minus 10% depending upon the final findings of an investment grade on it was roughly \$1,899.358

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

On September 17, 2010, he stated that he had informed the Council that staff was not recommending the acceptance of the Brady proposal because they felt that the cost estimate was very excessive.

At that same point in time, Ms. McMichael contacted Mr. Brad Bersch of Carolina Meter that was equal to \$1,789,475.82. In that discussion with Ms. McMichael, Mr. Bersch noted that this price was a very rough estimate and he thought the actual cost would be much lower if the city actually decided to proceed with Carolina Meter.

At this same point in time, when they began discussions to get actual bids, Ms. Erin Gilley, City Attorney advised that they could proceed with the purchase and installation of the system without the formal development and receipt of bids under the guidelines of North Carolina General Statutes 143-129(e)(6) which states an exemption from competitive bidding is allowed when the purpose of "standardization or compatibility is the overriding consideration."

He pointed out that if you were to look at the system, nearly every meter currently in use within the City of Eden is a Badger meter and the ability to stay with this brand and the intended retrofit in lieu of replacement of approximately 9.37% (656) of their existing active meters (6,998 as of December 2010) qualifies them for this exemption. When the staff contacted many of the other communities they actually found out that this was the exact same process that they used when acquiring their system.

On September 27, 2010, he stated that he and Ms. McMichael met with Mr. Mark McMillen, Co-Owner of Carolina Meter and Vice-President of Sales and Mr. Bersch, Sales Representative for Carolina Meter to get a firm price quote that could be presented to Council for their formal consideration. During that meeting they gave them a formal price of \$1,552,956.74.

In addition, they stated the cost would be good thru September 2011, so staff could complete its internal analysis and the remaining due diligence work.

Over the next 3 months from October to December of 2010, additional due diligence work was completed and an in depth analysis on each of their inactive meters. They wanted to figure out why there were inactive and how long had they been inactive. They then discovered that 741 meters had been inactive for at least two years.

As a result of that and in an effort to reduce their costs even further, they decided to reduce the number of meters they would be replacing from the original plan of 7,083 meters to 6,442 meters. He pointed out that the active meters as of December 2010, which changed on a daily basis, was 6,998 meters. You subtract the meters to be retrofitted and that gives you a number of 6,342. The intention was to go ahead and purchase an additional 100 meters to have on hand for a portion of the 741 active meters and that is how you get to that 6,442. Of course if you add back the other 641 inactive meters that was how it adds back to the original 7,083.

So, they would see that they were able to reduce the projected price into an additional savings of roughly \$100,000.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Part of the reason they made that decision was due to the length of time associated with many of the inactive accounts and the minimal cost difference associated with purchasing the meters now or later (estimated at \$13.50 per meter) they did not feel like it made sense to replace every single meter at this time.

As a result, in January of 2011, they received an updated and final quote that was \$1,452,560.05. He stated that he knew it had taken some time but he believed that this time had translated into a substantial savings. The \$1.452 million was actually almost half a million less than what Brady Energy Services quoted them and it was \$336,915.77 less than the price they first received in September.

Automated Meter Reading

Typically with automated meter reading you are talking about solving tomorrow's problems with today's technology. As everyone was aware, utilities today were being challenged with maintaining and managing an efficient water system in the face of the following: declining revenues, increased operating costs and infrastructure improvement needs.

Current Problems

The current problems that are not unique to Eden include prolonged leak detection, tamper detection, recurring personnel and operational costs for three (3) full time employees to read meters, the possibility of inaccurate meter readings, billing issues to resolve and then the revenue loss due to inaccurate meters.

Currently, the city has two (2) monthly billing cycles and three (3) full-time employees who are reading approximately 161 meters each day. This included 6 hours per day, eight days straight per billing cycle and with (2) two billing cycles they were currently reading 16 days out of an average 21.75 work day each month. In addition, they still have to handle an average of 406 work orders per month (processed every day from 3:00 to 5:00), rereads an average of 50 per month, they leave an average of 30 door hangers per month and they check stop meters an average of 50 per month. He noted that they have about 150 cutoffs/reconnects for non-payment per month as well as an average of 50 meters per month that have to be pulled or locked as a result of non-payment. He also noted that they replace old meters at an average of 5 per month and they allow for weekends, holidays, weather, and personal time off.

On the collections side they have two billing clerks. After the readings are submitted they run the reports for no reads or rereads. The bills are then processed for approximately 7,000 accounts per month and that includes approximately 3,500 bills each cycle, they are reviewed, continuous bill forms folded/burst and stamped and mailed.

Then they have to worry about reminder notices and they are processed for 800 to 1,000 accounts per month. That includes 400 to 500 reminder notices each cycle, those are also reviewed, and continuous bill forms folded/burst and stamped and mailed. They also have to

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

deal with the cut off lists, pull meters list and the stop meters list, handling customer service telephone calls every day and probably the most time consuming activities was collecting and posting the payments where customers come in individually to make that payment. They have found that the drop box out front does make a difference but customers still for whatever reason are coming in to make that payment.

In addition they issue and update work orders every day, balance cash drawers and make deposits every day. Other responsibilities include large customer water and sewer billings and billings for Waste Management Services for approximately 297 commercial accounts.

As you can see when you look at it, they cannot afford to let one day pass them by and those folks stay very busy.

Comprehensive Technology Solution

Mr. Corcoran explained that what they were looking at was Orion meter reading technology from Badger Meters. He stated that as he had noted previously, 656 of their existing meters will be retrofitted with data transmitters for integration into the new system and 6,442 meters will be replaced entirely with new meters fitted with data transmitters.

He pointed out that this new technology will meet their needs in terms of their meter reading, their data analysis and their business operation.

Council Member Epps questioned the warranties.

Mr. Corcoran replied yes and there was actually a twenty year prorated warranty on most of the items and a one year warranty on the other items and after that some maintenance agreements but they would get to that very shortly.

The Depth of Our Meter Reading Technology

The next slide depicted a photograph of a meter reader reading a meter. Mr. Corcoran explained that there has to be a better way.

Features/Benefits of AMR

He explained that some of the features and benefits of the AMR include Low-cost, fast and efficient data collection, a more accurate and precise measurement of water consumption and Consumers will be billed the amount that more closely corresponds to what they have actually consumed. It will also allow them to eliminate two full time equivalent positions and reduce operational costs which translate into a reduction in actual spending equal to approximately \$97,575 on a recurring basis each year.

It will also promote efficient operations and conservation and again, some of their existing meters could be retrofitted and it leads to increased revenues over time. Water meters, whether manual or automated, are mechanical devices that decrease in accuracy over time. Because many of their meters are older and less accurate, the city was losing revenue from both water service charges as well as sewer service charges.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

This new system will give them leak detection capabilities. Meters will sample water consumption 24 hours a day and notify the city if water has been running continuously when the meter is read. This will assist the citizens in identifying leaks in a timelier manner thereby reducing the amount of money they are ultimately charged on their bills as a result of a leak.

Orion In-Home Display



The Badger Meter ORION In-Home Display (IHD) is an optional customer service tool that will be available to all water users. It would help to promote efficiency and conservation and will display consumption reads hourly, daily or monthly or in seven-day graphic intervals.

Features/Benefits of AMR

With the In-Home Display unit customers can monitor their at-home water use on an easy-to-read, remote display. A built-in magnet allows for its location on a refrigerator or other appliance.

Council Member Ellis questioned the In-Home Display.

Mr. Corcoran showed them what one looked like and explained that they planned to have several on hand for customers to use and if they liked it they could come in and purchase one for \$135. He explained that they were not making any money on it but their plan was that whatever it costs the city; they would sell it to the consumer (same price).

Some of the additional features include a short payback period per the Opportunity Analysis that has been prepared. It leads to improved call resolution with in-depth data profiling capabilities for each account and minimized needs to access customer's property to read meters. The ORION transmitters, batteries and Badger Meter Encoder Register are covered by a twenty year prorated warranty with the first ten years being a full warranty.

The new system will be comprised of an ORION transmitter located at the meter that will measure the water flow then transmit a signal containing the current meter reading to an ORION mobile reading receiver.

The meter reader simply drives down the street with a laptop computer device that receives the signals and records the reads. This information is then downloaded into the billing system in the Finance Department.

February 26, 2011

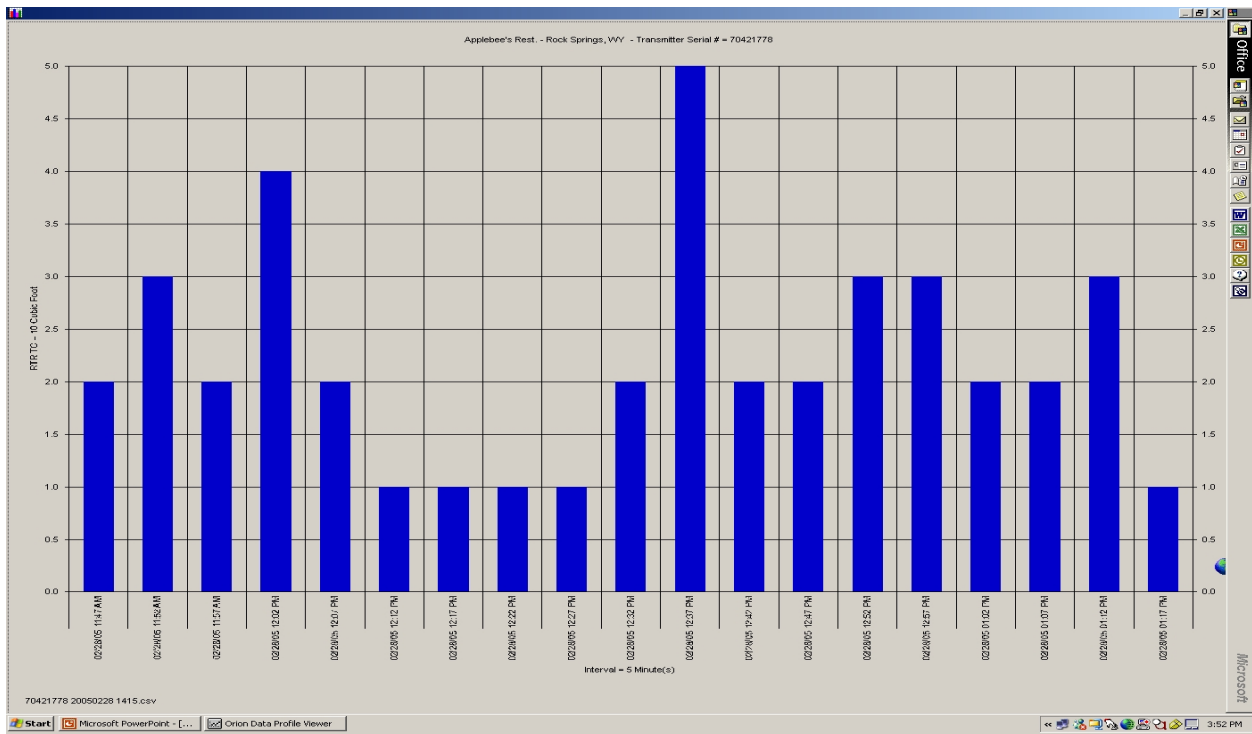
Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Orion Transmitter Features

The features are unparalleled protection against water intrusion, factory pre-wired assembled and tested, no field programming required, and they were ready to install.

Council Member Epps asked how high they would stick up out of the ground.

Mr. Corcoran replied that they will be down in the meter, you will not see them.



Mr. Corcoran then presented a date profile viewer – bar graph. He explained that it is in five (5) minute increments. If you question your bill and want to know your usage, this was a very short snapshot in time showing what the usage is every 5 minutes.

He then presented the Drive-by Reading System and explained that it was low cost, fast, accurate and efficient data collection and data auditing. It has a touch screen operation and uses an FCC non-licensed radio frequency band.

It also transmits the latest meter reading data every 4-5 seconds, allowing the driver to maintain normal speed limits. The receiver passes the readings directly to the PC during download process. Mr. Corcoran then showed them a snapshot of the screen that the Meter Reader would see.

Project Cost, Warranty/Maintenance Agreements

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Corcoran stated that Council Member Epps asked about the warranty and those kinds of things. He explained that the cost was \$ 1,452,560.05. They would note that the ORION Transmitters, batteries and Badger Meter Encoder Register were covered by a twenty year prorated warranty.

The ORION Mobile Reading System, Trimble Ranger Handheld and Charging Cradle, and the READCENTER Reading Data Management Software and Route Management Module are covered by a one year warranty but will then be covered by a series of annual maintenance agreements as outlined below:

Badger READCENTER Annual Maintenance Agreement	\$1,050
Logics Programming Annual Maintenance Costs (See Above)	\$ 675
Trimble Ranger Handheld Annual Equipment Maintenance Agreement	\$ 450
MRS/ORION Reading Software Annual Maintenance Agreement	<u>\$2,875</u>
Total	\$5,050

Initially there will be a one time programming cost with Logics for the AMR interface and change out at approximately \$7,000.

Typically they allocate about \$15,000 a year for the replacement of meters. Obviously they could continue to allocate \$10,000 a year which would still allow them to replace several meters if needed and divert the other \$5,000 towards the annual maintenance agreement.

Projected Payback

The opportunity analysis information prepared by Mr. Bersch indicates the AMR system provides an attractive “payback” period as a result of the increases in water efficiency, improved metering accuracy, and reduction in Non-Revenue Water.

He noted that they asked Mr. Bersch to do two opportunity analyses. The first analysis assumes the existing water and sewer rates remain unchanged from their current level for the next ten years (most conservative scenario possible). Based upon these assumptions, Mr. Bersch has estimated a project payback period of only 3.3 years assuming a six month change out period. The second analysis assumes the existing water and sewer rates are increased by an annual average of 3% per year for the next ten years. Based upon these assumptions he has estimated a project payback period of only 3.1 years assuming a six month change out period.

The opportunity analysis prepared by Mr. Bersch reveals that he is using a 92% water meter accuracy figure in the projection of his revenue numbers for all meter sizes of 2 inches and lower. In addition, the opportunity analysis did not include any gains that may be realized on meters that are larger than 4”.

He stated that if you look at the past modeling that has been done in both North Wilkesboro, NC and Pulaski, VA., indicated that the opportunity analysis prepared by Carolina Meter was very effective.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Bersch's approach was very conservative, especially when compared to the 95% to 99% guarantees that were offered by Brady Energy Services.

Based on discussions with other communities who have installed the AMR system and the guarantees by Brady Energy Services, they feel that a 92% water meter accuracy figure was probably low. This means the potential payback has a good possibility of being even less than the estimates provided by Carolina Meter.

Mr. Corcoran noted that when the staff met with Brady Energy Services, one of the things they heralded was the fact that they had only missed an efficiency projection on one occasion. That miss was \$200. He stated that his point was, if this company with such a high rate of success, was willing to offer 95% to 99% accuracy meter guarantee, he did not think they would have been offering that guarantee if they did not feel confident in achieving it. That was part of the reason they felt that there was an excellent chance the 92% figure that was used might be that low.

Primary Reasons Other Utility Providers Implement AMR

In talking with the other communities like Eden, the primary reasons for changing include: inaccurate meters, transition from a bi-monthly to monthly reads, to reduce personnel and operational costs, elimination of manual reads, features and benefits (that include leak detection, data profiling, in-home monitoring display).

Others' Experience with AMR

He explained that they probably made direct contact with more than twenty municipalities. If there was something bad about this, they wanted to find it. The following included just a sampling of some of the communities that were contacted:

North Wilkesboro, North Carolina

- Increase in revenue and cash flow. Reading time decreased by 90%
- Very satisfied with ORION system and Carolina Meter.
- Mr. David Webb, Utilities Maintenance Supervisor stated it paid for itself in a short period of time.

Franklin, North Carolina

- Mr. Jay Gibson, Director of Public Works stated he would recommend the ORION system to everyone.
- Very satisfied with the service and support they receive from Carolina Meter.
- Have been using the AMR Technology for two years and have no regrets.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Graham, North Carolina

- Mr. Frank Maness, Assistant City Manager stated they have been very satisfied with Carolina Meter as well as the AMR Technology.
- Only regret is not implementing the system sooner.

Moore County, North Carolina

- Ms. Peggy Deak, Customer Service Supervisor stated, “the ORION AMR System is great!”
- Realizing an increase in revenues as projected.
- Very satisfied with ORION system and Carolina Meter.

Aiken, South Carolina

- 20,000 customers on their AMR system.
- Ms. Kim Abney, Director of Finance stated they completed installation of their ORION system in May 2004. “The system has been working out great and has performed exactly as promised.”
- Would highly recommend the system to any municipality.

Lynchburg, Virginia

- Mr. Jimmy Austin, Meter Operations Supervisor has been working with Carolina Meter and Mr. Bersch for the past five years. He stated that they are excellent to work with.
- Data profiling feature is terrific in terms of investigating customer concerns about their bills.
- Absolutely no regrets and system has performed as projected.

Payment Arrangements

According to the audited financial statements for the period ending June 30, 2010 the equity in the Water and Sewer Fund was equal to \$10,351,396.

This was an increase of \$2,266,894 when compared to the June 30, 2009 equity in the Water and Sewer Fund which was equal to \$8,084,502.

This growth in the Water and Sewer Fund equity was due primarily to the \$2,746,894 payment we received from HanesBrand International on August 8, 2010 for their FY 2009-10 take-or-pay and capital repayment obligations.

The equity in the Water and Sewer Fund for the period ending June 30, 2000 was \$4,345,594.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Again, the equity increase from June 30, 2009 to June 30, 2010 is equal to \$2,266,894. This piece of information coupled with the fact that interest rates on their investment earnings continue to be at record low levels (.21% - .25%) has resulted in their belief that they should pay outright for the acquisition of this system over the course of the six month installation period as opposed to borrowing funds.

Based on the existing lending environment they can save between \$56,698 and \$122,411 on anticipated interest paid minus anticipated interest earned if they pay for the system on a cash basis as the project is being completed in-lieu of either a 3 year or 5 year loan-financing agreement.

Currently \$207,800 is included for this project in the current FY 2010-11 budget. An additional allocation of \$1,244,760.05 will need to be included in the FY 2011-12 budget which is scheduled to be adopted on May 17, 2011. If the Council votes to proceed they will spend the \$207,800 between May 18 – June 30, 2011 and the remaining \$1,244,760.05 during FY 2011-12.

Staff Recommendations

In the end, their recommendation would be to request the City Manager to include an allocation of \$1,244,760.05 (from existing equity in the Water and Sewer Fund) in the FY 2011-12 budget for the implementation of the AMR system. A formal vote by the City Council to actually allocate and authorize the expenditure of these funds will take place on May 17, 2011 when the FY 2011-12 Budget Ordinance is submitted for Council's formal approval.

They would also authorize the City Manager during the May 17, 2011 meeting of the City Council to proceed with executing an agreement with Carolina Meter for the purchase and installation of the city-wide standardized AMR system as quoted by Carolina Meter under the guidelines of NC General Statutes 143-129(e)(6) which states an exemption from competitive bidding is allowed when the purpose of "standardization or compatibility is the overriding consideration."

They would work with Matchpoint, Inc. prior to the actual installation to disseminate information to existing customers about the AMR Technology. A copy of a sample letter from the Mayor as well as a copy of a Frequently Asked Questions (FAQ) informational piece was included with the report that was distributed to each of you previously.

Mr. Corcoran then opened the floor for questions.

Council Member Burnette stated that currently the meter readers spend about 75% or 80% of their time actually reading the meters and to go from 3 down to 1, and then just drive time, what is the data collection time.

Mr. Corcoran replied that it was in the Opportunity Analysis. He thought it was about 10% of the time.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Bersch added that they were looking at about two days. That would be something that would probably not happen until six or seven months in, just the familiarity of going out and driving. They were thinking of somewhere around 3,000 to 4,000 per day based upon the density of the city and where the homes are and being able to go out and read them.

Council Member Tuggle noted the savings would be \$1 million for ten years for 2 full time employees and operational savings and that speaks for itself. He pointed out that they could almost afford not to do it.

Mr. Corcoran replied that there were a couple of things about that. One thing, it was roughly \$100,000 a year based on the salaries today. One of the unknowns, that would be an additional savings, was health insurance costs. He explained that the city pays \$550 a month for an employee to be covered and in that \$100,000 they show what the city saves in insurance costs. He pointed out that as they know, by the city being self-insured, if one of those 2 employees or a member of their family exceeds that \$6,000 a year, that was additional money. So, the \$100,000 is the minimum amount.

Council Member Ellis asked how it was that they went from \$1.899 million down to \$1.45 million.

Mr. Corcoran replied that the \$1.899 million was Brady Energy Services....to which Council Member Ellis pointed out where it said \$1.789 million, where they started at and then they went down to \$1.42 million.

Mr. Bersch explained that their proposal was \$1.78 million. The \$1.899 million was Brady adding to their proposal. So, the Carolina Meter initial proposal about 2 or 3 years ago was about \$1.789.

Council Member Ellis stated that they then went to \$1.55 million down to \$1.4 million that dropped another \$100,000.

Mr. Bersch explained that last drop was due to the city not doing vacant homes.

Mr. Corcoran added that was the 641 meters he had talked about earlier that they would not be replacing right now.

Mr. Bersch explained that their proposal coming down roughly \$250,000 was two-fold, one being the installation company. Last year, with all the stimulus jobs, they did not need the work as much. His company had a proposal for a residential meter of around \$40 per meter. They were now down to \$30 because the installation companies were looking for work and were available. So, waiting an extra year means that they are more willing to come in and do the work. The other thing was that he had been giving estimates because he did not know exact quantities. Once they got exact quantities, he went to Badger Meter and said look we have got a large job here that will be done in a 6 or 7 month window, what is the best number you can give us for this particular job as opposed to some utility that just buys 50 meters.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Hagood stated that he mentioned Matchpoint and asked where they were located.

Mr. Bersch replied that their office was located in Hampstead, North Carolina.

Council Member Hagood stated that he had not seen a breakdown of the project, the admin, equipment and labor. He asked if that was an outside contractor in effect or could that be done local.

Mr. Bersch replied that the actual installation work probably could be done. What they were also offering as part of the installation was that when those installers were done putting in a meter, instead of giving the Billing & Collections Department a list of meters everything would be electronically passed into your billing software, thereby saving some time there.

Council Member Hagood asked if even further, could that part of it be done in-house and if he had ever seen that done.

Mr. Bersch replied not at this level, not for this quantity because their resources were stretched and all of a sudden you would say you were going to do 7,000 meters within six months that was not anything he had seen before. He had seen a utility do a portion of it but not the entire part, not at the pace they are looking at doing this.

Council Member Hagood asked if they would not do their own project management with some of their local people.

Mr. Corcoran replied that everyone that they checked with that deals with Carolina Meters dealt with Matchpoint. They did not find anyone who did it on their own. They priced a turnkey job.

Council Member Turner pointed out that at least it was a North Carolina company.

Mr. Corcoran added that they are the firm that has worked with Carolina on all these other cases.

Council Member Tuggle asked that they tell them about the leak detection. They have had so many problems over the years and how would it for the most part eliminate that type of stuff or would it eliminate it.

Mr. Bersch replied that it would eliminate it if customer wants to eliminate it because the leak would be on the customer's side. They would give them the ability to know they have a leak and if they want to fix it that was up to them. What happens is, the radio transmitter will read down to the gallon. So, all that transmitter has to do is have one gallon of water every 60 minutes go through it. As soon as you get 24 hours of consecutive usage, meaning that reading had changed, even by one gallon, it will flag it and let you know there is a leak.

Council Member Ellis questioned the flagging and how that worked to which Mr. Corcoran explained that it would show up on the laptop and as he drives by if there was a leak, a different color appears on the screen.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Epps commented that if someone had a bad flapper in the commode you could run 75,000 gallons through there like that and if the person did not know it and that meter finds it and they get that \$3.00 flapper fixed they have saved some money.

Council Member Ellis asked if there had been any problems with anybody trying to tamper the unit.

Mr. Bersch replied that was limited as there was a wire installed under the lid. The wire could get cut or damaged, but there were tamper proof features and the units will not go backward.

Council Member Ellis questioned if they were going to offer any less to which Mr. Bersch replied that if he had to predict, the pricing will start to go up because the raw materials will probably start to go up around July 1st. He added that the City of Eden's pricing was set through the end of September.

Council Member Carter questioned the mud getting into the meters. The water flowed through that meter but it did not register the gallons flow. He asked if this system would detect that.

Mr. Bersch replied that mud would do the same thing. What would happen was that when the installer goes out there, he or she would be replacing a meter that may have been there for many years. There could be debris just in changing that out. But in order for these things to turn themselves on the radio devices, they get shifted in a sleep mode to save on the battery levels. Once one gallon of water goes through there they turn themselves on. So, the installer will actually go out there and turn some water on if they can at an outside spigot, to make sure it has been properly flushed and all of that mud and debris is out of there.

Council Member Burnette questioned if it was a sonic reader to which Mr. Bersch replied it was a mechanical disc.

Council Member Carter stated that what he was referring to, the meter was already installed and the contractor comes in and replaces that line, and that meter has been installed two years, and mud has gotten into it, there was really no way it would detect it.

Mr. Bersch replied no, if it was mud or any type of debris, even small stones, the meter will stop.

Council Member Epps pointed out that when it stopped they would realize something was wrong.

Mr. Bersch agreed and added that there was also an error message inside the transmitter. If you have 30 days of no usage it will give the meter reader an error.

Council Member Turner asked if the meter reader would be inside the truck alone doing the readings. She questioned if it could be a safety issue.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Corcoran replied that he would be just driving down the road at normal speed and has the ability to read 400 meters in a matter of minutes.

Mr. Bersch added that the meter reader could pull over after reading for a couple of hours just to see their status. He pointed out that all of them change colors after they are read to let you know which ones you have not read.

Council Member Carter questioned the open positions.

Mr. Corcoran replied that they had a meter reader position open now and they were getting ready to fill it. Their plan there was to fill the position because quite honestly, even if the Council gives the green light, this was a 7 month process. They would not adopt the budget until mid-May so it will probably be this time next year before the system is finished. There was no way they could go with just 2 meter readers for a year. Another thing was that once the system gets installed, before they send the other 2 meter readers to another division as vacancies occur, they would actually send them out and pull every single inactive meter. So, if there are 741 inactive meters, they are going to be pulled. For instance, where George Mabe's lived on Highland Drive, there is someone who lives in that house, but they have never activated the yard meter. So, that is an inactive account. Now, if Donna Turner lived in that house and she wanted to start watering her yard, she would come in and ask them to cut it on. When Ms. Barker sends the meter reader out, he will take one of the new meters with him, he will put the new meter in and that will activate it. So, there were several things they wanted to do with existing staff. He and Ms. McMichael had also discussed if there was any way they could get by with 2 for a year and it was just not possible. He pointed out that in the job ad, it was advertised as Meter Reader-Laborer. When they interview they intend to tell them that up front and let them know that the meter reader portion of the job was temporary and they could not really promise them where they would be after that.

Council Member Carter stressed that he just did not want to hire a man and then lay him off after a year.

Mr. Corcoran replied no, they had no intention of doing that.

Council Member Carter questioned the agricultural meters and if that was something that would be replaced as well.

Mr. Corcoran asked if he meant the yard meters, yes.

Council Member Burnette stated that they would be pulling all the old meters and this was just for the old meters to which Mr. Corcoran explained that part of the reason for doing that, if the meter was in the ground today, it could easily be tampered with. So, you may ask why they have the meter reader read these inactive meters. He explained that he goes and checks to make sure that the resident has not snuck out and turned it on and was using water. Now, by pulling and locking when possible, there was no way that would happen.

Council Member Epps asked if these were gravity flow meters.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Bersch replied that it was just the pressure in line that forces it.

Council Member Ellis asked if they used that other 100 meters, and in the next five years they need more, how much more of an increase would that be or just say for a year or so.

Mr. Bersch replied that right now they have given them a price for a residential meter of around \$152. Once the project ends, the price would immediately at that point go to \$168 to \$170, because that was what the current price was for smaller quantities.

Mr. Corcoran explained that the difference today was \$13.50 as they had asked that question. For instance, if North Wilkesboro needed to order 5 meters today, the current price today was \$13.50 more per meter than what the price was that Eden had been quoted to buy in bulk. That was part of the reason they could not see buying 741 additional meters for inactive meters.

Council Member Burnette stated that they were continuously replacing meters so maybe the better question was how the cost for new meters compared to the cost of the ones they were using today.

Mr. Corcoran replied that it was much more expensive. They planned, budget-wise, to still put in or allocate about \$10,000 a year for the replacement of meters and that would allow them to go buy about 75 meters.

Council Member Burnette stated that certainly in the first 10 years they would not expect to replace any of the new meters, so they were really only replacing a much smaller number anyway.

Mr. Corcoran added that also, if you have to buy 10 meters that was a good thing. That means that ten people were going to start using water and sewer, so the city's cost to buy that meter was a drop in a bucket over the return you would be getting.

Council Member Burnette asked if they had any information on how much change there was with the 4" meters, from going from an old manual system to this type system, as far as accuracy.

Mr. Bersch replied that they did not incorporate a lot of gain because the city goes out and has those meters tested on an annual or biannual basis. However, on the small meters, they did a testing sample on and came up with about 92%. On the 4" meters, they only used 98% accurate right now, so they were only getting the 1% gain and that was very minimal. The driver behind this was the older residential meters.

Mayor Grogan thanked the City Manager and Mr. Bersch for their presentation. He stated that most significantly there was certainly a 3.5 year payback and that was a good deal. He noted that it had been well thought out and he knew that this was one of the first things that Council Member Hagood brought to this Council.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

A motion was made by Council Member Hagood seconded by Council Member Tuggle to move forward with this project.

Council Member Hagood commented that he would like to see, in every case possible, their local vendors used. That was not a preference type thing and he knew there were guidelines to follow. He added that he was not sure, but quite often they were put in a position where contractors, where they may be working, and there were different out of town labels, that he would rather see them keep it local when they can, within the law.

Mayor Grogan added that they have really tried hard to keep everything local and occasionally if it just cannot be found, somebody might run over to Lowes to buy something and also price comes into play. He stated that it seems like everybody, when you go to do a government job, the price automatically doubles.

Action on the motion was as follows: All Council Members voted in favor of this motion.

Mr. Corcoran explained that they had time for a break and that Mr. Bersch would be available through the break to answer questions and also show them the equipment.

BREAK

Review & Consideration of Issues Related To Economic Development

Mayor Grogan turned the presentation over to Mr. Mike Dougherty, Director of Economic and Business Development.

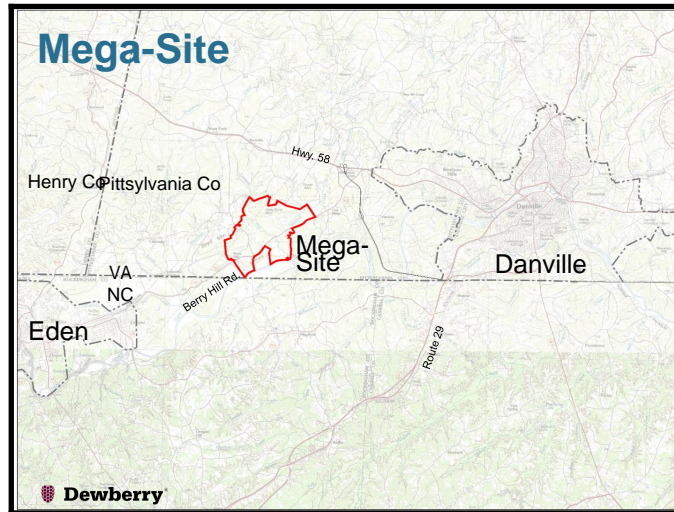
Mr. Dougherty presented the following PowerPoint on Economic Development. *A complete copy of this presentation is located in the office of the City Clerk and online.*

Eden Economic Development

- Berry Hill Regional Mega Park Update
- Project 2015 Update
- Existing Industry Status
- Commercial Recruitment Efforts
- Main Street Update
- Entrepreneurship Efforts

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:



Berry Hill Regional Mega Park

- Largest Industrial Park In Virginia
- 12 Development Lots
- 1800 Acres of Buildable Area
- Employment of 7,000-15,000
- Regional Impact

Certified Mega Site

- Minimum 1,000 acres
- Property 100% under control
- Complete environmental studies
- Dual feed power
- Heavy utilities
- Draws “Game Changing” Industries
 - Auto, chemical, steel
- Investment of \$800 Million to \$1.2 Billion
- Employment of 2,000-5,000
- Regional Impact

Berry Hill Regional Mega Park

Competitiveness Process-UNC School of Government

- In January of 2011, Dr. James Johnson of the UNC School of Government unveiled the results of the community competitiveness study his organization completed for Rockingham County.
- Recommendation #6: Pursue Regional Collaborative Projects

January 19, 2011

- David Powell, President of the Piedmont Triad Partnership Priorities:

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Manufacturing
Specifically: Auto Assembly Plant

Berry Hill Regional Mega Park-Status

Road and Electrical: Virginia Tobacco Commission awarded \$2.7 million to cover engineering and related costs for the design of road and electrical to serve the park.

Water: Water design for the park will consist of a connection to the US 58 PCSA and City of Eden systems. Tobacco Commission funds in the amount of \$1.3 MM have been awarded to perform this design work. A request for proposals (RFP) is being prepared and a firm should be selected by the end of February of 2011.

Sewer: Sewer design of gravity sewer to serve the park, two pump stations and a force main to Eden is under design. Design is scheduled to be completed by August 2011. It is now 30% completed.

Natural Gas: Funding of right of way acquisition has been secured.

Construction: Construction of designed infrastructure will not occur until an industry with a significant utility need has committed to locate in the Mega Park. These projects will be taken to the shovel-ready stage.

City of Eden Pursuit of Funding Sources

Sewer

- \$1 million in grant funding is being pursued from the Golden Leaf Foundation
- USDA grant/loan funds are being pursued.

Berry Hill Regional Mega Park

Regional Industrial Facilities Association (RIFA) wants to have a utility contract with the City of Eden.

City of Eden's water and sewer capacity are critical to the park.

Budgetary constraints are delaying the process of the contract—Pittsylvania County will discuss the contract in earnest once the 2011-12 budget process is completed—mid-year.

Berry Hill Regional Mega Park-Status

When the Ohio energy company was looking at the Mega Park, there was an urgency of obtaining the larger capacity it needed from Eden. That project has not progressed, so the water needs are not yet present.

Water Line from Danville, VA

- It was always in the plan for the City of Danville to supply phase #1 of the park, but its capacity is less than 1 million gallons per day.
- The water line from 58 to park is 75% complete.
- The use of Eden water depends on the location and capacity requirements of the industry locating in the park.

Mega Park Recruitment Efforts

Energy Company

- Decided to locate elsewhere

Automotive start up

- Has considered the park

Paper company

- Not an advanced manufacturing company, so it was not considered a good fit for the park

Marketing efforts

- The park is being marketed, but no one has expressed a firm interest in locating there at this time.
- Current economic conditions are impacting the recruitment process. This is expected to improve as the economy improves.

Marketing Efforts-Cont'd

Mega-Park awarded Virginia Enterprise Zone status on February 1, 2011.

- Allows additional incentives for development of the park
- Property investment grants
- Job creation grants
- These grants will be matches with county and city funds
Makes the Mega Park much more attractive to potential industries.

Rail service is a key attraction of the mega park in view of anticipated diesel fuel increases and continued instability in the middle east

- The Regional Industrial Facilities Association (RIFA) will be seeking \$2-\$3 million per year from the Virginia Tobacco Commission for its current timetable. Its strategy was revised to fit those funding levels.
The Virginia Tobacco Commission is also funding other area projects, including Commonwealth Crossing south of Ridgeway, Va.
- RIFA looks at this as a long-term project; whereas it looked more promising for activity to take place immediately if the power company had located in the park.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Berry Hill Regional Mega Park-COE Strategy

Sewer

- \$1.8 million cost
- Design will be completed by Virginia at no cost to Eden
- Golden Leaf Foundation funding will be awarded in April/May of 2011
- Balance of cost will be obtained via USDA or other lending institution

Water

- \$7.2 million projected cost
- Design paid for by Virginia at no cost to Eden
- Urgency of water infrastructure depends on the park tenant water needs
- Golden Leaf Foundation and NC Rural Center will be receptive to funding once jobs can be identified
- Economic Development Administration is another potential source of funding
- Tenants will be the key to initiating Eden water infrastructure development to the mega-park

Project 2015-Update

NCDOC will not recommend a new correctional facility in its budget for the next two years.

- Realities of state budget
- Slower rate of increase of the prison population
- Proposed site may not be available
- An alternative site may have to be considered
 - NCDOC will consider all sites in communities wishing to secure a correctional facility
- Correctional facility may be 4-5 years away
- Eventually, a correctional facility will have to be built
- Eden's chances depend on the balance of power in state legislature, a viable site, competitive counties and the condition of the state budget

Industrial Expansion – Gildan

250,000 sq. ft. expansion
\$18.7 million investment
295 current full-time jobs
66 temporary contract employees via employment agencies

Industrial Expansion – Loparex

120,000 sq. ft. expansion
\$3.6 million investment
53 new jobs

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Industrial Expansion – Duke Energy

- New \$700 million gas powered plant under construction
- 400-700 workers for next 2 years
- Supports restaurants, shopping, hotels, housing, etc.

Industrial Investment – MillerCoors

- Over \$100 million equipment upgrades
- Recent company awards
- Pending retirements will translate into new job opportunities in future

Industrial Expansion – Alltech

- Processes yeast from MillerCoors
 - Eden and Shenandoah breweries
- By product used in animal feed
- Expect to expand to triple current size in one year

Industrial Expansion – KDH Defense

- Opened 2009 – Eden Industrial Park
- Manufactures body armor for US Army & Marine Corps
- Layoff ended and more employees added

Industrial Expansion

- Mabe Trucking
 - 148 employees in January of 2009
 - 205 employees in October of 2010
 - 28% increase in a down economy
 - Transport and backhaul product from across the Triad
 - 2009 *Carrier of the Year* for Dollar General
 - Supplier to 10,000 stores
 - New web site: www.mabetrucking.com

Cemex has opened former Solite facility

- Ready mix and asphalt plants are planned
- Creating competitive environment previously dominated by one company
- Hope to serve mega-park customers
- Goal of restoring 50 lost jobs

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Tile Shop

Distribution Center for chain of tile stores located just across the Virginia state line off Friendly Road

Manufacturing facility will be built there in one-two years.

Employment Security Commission is working with them on employment needs

Former Hanesbrands Facility

Purchased by a group of Danville investors

Plan to subdivide into 4 facilities

Commercial Recruitment

Save-A-Lot-Opened September of 2010

Dollar General- Opened December of 2010

Eden Centre(Food Lion Shopping Center on Hwy 14)

○New ownership—Brookline Development Company

Targeted companies

○Marshalls

Burke's Outlet

○Hibbett Sports

Dollar General Market (west end)

○Gamestop

Waffle House

○Chick-fil-A

Main Street Update

Statistics through 2009-2010

○Facades redone: 37

○Building renovations: 49

○Net new jobs: 97

○Net new businesses: 39

○Business expansions: 12

○New Public Investment: \$1,214,462

○New Private Investment: \$ 3,444,331

○Total Investment: \$ 4,658,793

Draper Village

○ Merchants Association resumed

○ Considering future special events

Olde Leaksville

○ Belladonna Antiques and Interiors opened

○ Bette-R-Look Salon and Spa

Renovated bank facility that was closed for seven years

The Cook Block

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

- Streetscape project was not accepted by property owners
- Dollar General is first new commercial investment in the area in over 30 years
- New sign shop

Entrepreneurship

Estimated that 1/3 of all rural citizens will be self-employed by 2015 (Erik Pages-Entreworks, Inc.)

Only 33% of new businesses fail

○66% potential rate of success

Planning is vital to the process of becoming a successful entrepreneur

Entrepreneurship Importance

Entrepreneurship is a critical component in our economy

○1990-2007-Rockingham County

58% of new jobs came from newly created firms

40% of new jobs came from industry expansions

- Only 2% of jobs came from in-migrating business

Entrepreneurship Resources

RCC Small Business Center

Rockingham County Business and Technology Center

SCORE—Service Corp of Retired Executives

Rockingham County Business Coalition

City of Eden Economic Development Office

Self-Help Credit Union

Small Business and Technology Development Center

Economic Gardening

Implement resources for small business owners

Facilitate encounters where they can learn from each other

○More receptive to other entrepreneurs than government agencies

Work with property owners to provide incentives for start ups

Publicize small business news

○News & Record and Eden's Own Journal monthly columns

○Eden News weekly business columns

○Facebook, email releases, and Twitter

Doing Business Downtown

City Entrance Signs

Welcome mat for visitors

Create first impression of a community

Located on the most heavily travelled roads

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Show community pride

Council Member Epps pointed out that the shrubbery was so high at some of those entrance signs and at night the lights cannot shine on the sign. He stated that they need to either raise the lighting or cut the shrubbery.

Council Member Turner agreed and stated that the one on NC Highway 135 was like that to which Mr. Johnny Farmer, Director of Parks, Recreation and Facility Maintenance commented that he would take care of that.

Mr. Dougherty stated that one of the City Council Members had mentioned to him that they would like to see some other versions of the city's seal and he then showed the Council some various designs of seals.

Council Member Burnette explained that he was the one who made the comment about the seals. He stated that he just did not think it was very attractive and it was on their signs, business cards, or anything else and personally he thought they should have something else, if it was not very costly.

Mr. Dougherty agreed that the yellow on top of that green, it just did not show up very well. Mr. Dougherty also mentioned that they should have something that honored the mill heritage. He then showed a photograph of something called the Mill Window which was done in Gastonia. It was then transposed by Photoshop into the Washington Street Park. He suggested that this was something that could be done through Arts Council grants or even the merchants or donations.

Council Member Ellis questioned who they received the bid from for the new signs.

Mr. Dougherty replied that a local business did the signs the first time and there were issues. So, this was not someone local. He received estimates from others and the folks that were hired were actually 47% cheaper than anyone else locally.

Council Member Hagood questioned the Mega Park's status, bottom line and there was nothing.

Mr. Dougherty replied there was no one yet, it was a work in progress. He did not think that they ever thought that this would be an immediate thing but it was being marketed aggressively. He added that there were a lot of factors that were affecting this. He thought that this will follow the same trajectory as the economy in general.

Council Member Epps pointed out that he had a feeling they may have a feel for something or they would not be aggressively doing what they were doing. So, there must be something behind the shadows that they did not know about that may be a prospect.

Mr. Dougherty replied that he was in contact with their economic developers.

Mr. Corcoran added that the biggest involvement for Eden in the next year for the Mega Park was probably the sewer. The engineering design was supposed to be done in August. The

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

reason that Danville and Pittsylvania County were running that waterline now was because they had received some Virginia Tobacco Commission money and it stipulated that the money had to be spent within a certain period of time. They did not want to risk losing it so they went ahead and did it. He added that if they get the grant from the Golden Leaf Foundation, they had not been told yet of the requirements, in terms of when you have to spend that money, but he would not be surprised if that award was made in April or May. There may be a stipulation that those grant monies have to be expended within a year. Once Mr. Dougherty knows exactly what they would or would not get with Golden Leaf they would be able to follow up with the USDA. As far as Eden was concerned, there was a very good possibility of doing the sewer work in the next year.

Council Member Hagood asked if the Gildan Performance Agreement was on hold.

Mr. Dougherty replied that he sent them the latest information from the Partnership.

Council Member Hagood stated that he understood the answer there, the capital investment, the right side of that agreement; they have not met that agreement. He explained that his question was whether they were going to make that payment in the coming year or not.

Mr. Corcoran replied that they never make a payment unless they do what was called for in the performance agreement. The Partnership monitors that for the city and whenever that was due, they would send something to Finance that would basically say "we have verified that the investment was made, the job creation was made", whatever was promised, or they would send a statement that says they did not make it and the payment was not due. He added that if they did not do what they promised, then they would not receive payment.

Council Member Hagood stated that he knew that in effect it was put on hold from the earlier information they had received. He asked how long they would wait and whether they would slide it.

Mr. Corcoran replied that they would not slide it. What has happened in the past, you may miss a year, but if you meet your goals in the second year then you get the second year's payment, but we do not slide the agreement back.

Council Member Hagood pointed out that the \$18 million was not \$20 million that was in the agreement.

Mr. Corcoran explained that what typically happened was that they would prorate that payment. If you have done 80% of what you said you will get 80% of what was promised.

Council Member Tuggle added that those benchmarks were always what they go by no matter what.

Mr. Corcoran agreed and added that was one of the things that the Partnership does and they monitor all the performance agreements and that information was sent directly to Ms. McMichael.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Hagood stated that if you look at the parking lot there, and they were talking about 295 plus 60 that was something like 350, the parking lot probably holds 100 and at any point in time there were probably 70 there and maybe 30 on the weekend.

Council Member Epps suggested they had rotation shifts.

Council Member Hagood pointed out that the parking lot has to be double the size of the shifts because you have people there and then you have people arriving.

Council Member Epps commended Mr. Dougherty on the job he was doing.

Mayor Grogan noted that the Employment Security Commission checks numbers also and that was where they really go to check.

Mr. Corcoran commented that one of the things mentioned was the entrance signs and he asked if there was any interest in seeing that done or leave it the way it was.

Council Member Epps stated that he never liked them to start with and Council Member Turner agreed that they could use an update.

Mr. Dougherty explained that the rough cost was around \$2,500 but they also said that they would throw one in free. He added that with the current signs they kind of got what they paid for.

Council Member Turner agreed and stated that she felt that from the beginning. She also agreed about the seal and its time has come. They were also talking about this for the high school. The logos have date on them and things have moved on. Color processing has become so much easier than it used to be. People pay attention to those things.

Mr. Dougherty added that one of the things he was trying to do with Ms. Adams was to promote the rivers and the greenways.

It was the consensus of the City Council for the staff to get prices for the entrance signs and also designs and prices for a new city seal.

Mr. Corcoran stated that he just wanted to make one more comment. They approached RIFA, Pittsylvania County and Danville a long time ago about a take or pay agreement. Basically what they told us was that they were interested but not until after their budget season was done. He stated that from his perspective, he was not too worried about that on the sewer side because number one, the City of Eden was not being asked to contribute one dollar to the design of the plans and specifications for the water system or the sewer system. So, first of all that was money that realistically they should have been involved with helping to pay, that they were picking up for them. Secondly, if they do get a \$1 million grant from Golden Leaf, that was not money that their citizens (Eden) had to pay, that they would have to borrow and pay back. So, now the remaining discussion focuses on the potential \$800,000 or so that they would need to get from

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

USDA and they would have to wait to see how much of that was a grant or a loan. His point was, he did not think the urgency for a take or pay agreement was as predominate when they were talking about the sewer as if they were talking about the water. If they were ready for their water and they were talking about \$7.2 million and most of that was going to be borrowed and paid over the years by Eden's citizens, then obviously getting a take or pay arrangement with RIFA would be paramount in terms of importance. He just wanted them to know that when they have discussions with them, they constantly ask about the status of the take or pay agreement and they cannot move them any faster than they want to move, and he honestly felt that on the sewer side it was not that big of an issue. The city's portion of the design of the water and sewer would probably have been hundreds of thousands of dollars. So, they were getting something there, so even if the city agreed to pay \$500,000 of this \$1.8 million for the sewer, he felt they probably got most of that back, not to mention, it was just a matter of time. There may not be a tenant there today, but if you look at those slides and the money that the Virginia Tobacco Commission was putting into that site, it was going to happen. It was just a matter of time and when that does happen, Eden will have positioned itself to take advantage of any and all sewer flow.

Council Member Burnette asked if they talk about the remainder of the funding for the sewer, what his recommendation would be to use more of the Water and Sewer fund or just actually borrow that money.

Mr. Corcoran explained that their equity went up by \$2.2 million so it was a "dag on" if you do and a "dag on" if you don't type of thing. They all know there were all sorts of needs on their water and sewer system. They also know the Council does not want to raise rates for a couple of years and that they have all these needs so on that hand you would like to have a large fund balance and you would like to draw off on it but on the other hand if the citizens see that you have this large fund balance they would question why the rates were at the point they were at. So, with the Council having expressed a willingness to use \$1.2 million of that \$2.2 million growth in equity even if you had to fund \$800,000 of the sewer, you could do that plus the AMR and still have more equity in your water and sewer fund at the end of that than you did at the beginning of last year. That was why he wanted to go ahead and mention it because when the budget was given to them, depending upon what they hear from Golden Leaf and depending upon what they hear from USDA they may actually see money in there for whatever the distance was for the sewer line for the Mega Park.

Council Member Burnette asked if they would hear back from the USDA by that time.

Mr. Corcoran replied that he did not know about USDA but they would definitely hear from Golden Leaf.

Mr. Dougherty pointed out that this was a community assistance process and there was a recommended committal of \$750,000 but they were told by Golden Leaf that they took the horse park money and stuck it back in the pot so he could not imagine that they would not get at least \$750 and he was hoping to get \$1 million.

Mr. Corcoran added that again they do not know what was going to happen with that and if the engineers were today saying that the plans were going to be done in August, maybe they will be

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

done in October, honestly speaking. Then, by the time they bid that project and get through the winter, actual work would not begin until next spring anyway so they would only need to show a portion of the cost in their budget.

Review & Consideration of Water & Sewer Infrastructure Improvement Projects

Mr. Corcoran then asked Mr. Terry Shelton, Director of Environmental Services to present his PowerPoint.

Mr. Shelton began by discussing the water and sewer infrastructure needs and pointed out that they were always difficult to fund, but today's economic situation only compounds that challenge. Many leading water and sewer financial advisors think that there will not be a return to "normal" after this recession.

He explained that "Normal" in the future could likely be more structural and not the cyclic economic ups and downs as they have grown accustomed to in the past. Future business and financial changes will likely be slow, steady, and cautious to avoid sudden drops. Raftelis Financial Consultants Inc., well-known in the water industry, predicts that growth will be slower, spending will be smaller, new programs and construction will be limited, and revenue increases will also be modest.

- Due to challenging economic times, only the critical needs for Water and Sewer improvements have been considered during the last two years; and
- Projects that are eligible to receive funding through loans with principal forgiveness.

The primary water projects during recent years have been limited to the 2 inch water line replacements. This was a very large ongoing project citywide and required a lot of engineering work, permitting, bidding, construction, inspection, and funding for each street as they progress. The vast majority of the engineering, bidding, and inspections have been handled in house by their city staff.

- The City will spend about \$300,000 on line replacements in the 2010-11 budget.
- They expect the next several budgets to include about \$300,000 or less to continue their work on replacing 2 inch lines.
- Replacement of the worst 2 inch lines is starting to wind down as they have replaced most of the galvanized lines to improve the water quality delivered to their customers.
- Long term, they expect to replace some additional 2 inch plastic lines that need upgrading to meet state regulations for flow and pressure requirements.
- In the future, they will need to start replacing 6 inch water mains that were cast iron and date back to 1923. Replacement of these lines will likely begin in five to ten years.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

There are two major water projects that are coming in the near the future. The Berry Hill Road MegaPark and Water Quality compliance issues created by the new Disinfection/Disinfection Byproducts regulation coming in October 2013.

The MegaPark will require a large water transmission line and a large sewer force main, if the current plans continue to become reality. Start dates for these projects will be driven by the first industries to commit to the new industrial park and/or the acquisition of funds to do actual installation.

The MegaPark project will likely have costs of:

- Water improvements to supply water - \$7,200,000.
- Sewer improvements - \$1,800,000.
- Funding for these projects will be sought through low interest loans and grants.
- Sewer improvements will move forward as funding becomes available. Water improvement expenditures will likely not start until a major industry is recruited for the park or until a significant source of grant funding is obtained.

The Disinfection/Disinfection Byproducts (D/DBP) regulations are very complicated, but can be broken down into two main parts. They are the removal of bacteria from drinking water and the control of the formation of Trihalomethanes (THMs) and Halo Acetic Acids (HAAs) which are the byproducts of chlorination.

The D/DBP regulation is an unfunded federal mandate to improve Drinking Water Quality throughout the country.

The water plant staff is currently doing a study and is researching ways that the City can be compliant with the D/DBP Regulations. Compliance will depend on our ability to control the formation of THMs, HAAs, and the improved removal of Total Organic Carbon (TOC) from our raw water. The actual cost of compliance will depend on the results of our testing during the next 18 months.

- Unless their sample values can be reduced significantly they could be in non-compliance with their future THM and HAA monitoring results.
- Non-compliance with the D/DBP regulations would mean having to do public notifications to all their water customers and receiving administrative penalties (\$\$) imposed by the State.

The entire water system has components that could contribute to non-compliance with D/DBP.

They will evaluate each of these factors for their contribution to the formation of THMs

- Source water from the river may contain compounds that contribute to their THMs.
- Sediment accumulation in their Raw Water Impoundment (Lake) may be a contributor to the THMs.

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

- Coagulants used in our treatment process may need to be changed to improve their removal efficiency of Total Organic Carbon.

Council Member Burnette asked if they had approached Duke (Blues Creek) to ask if they could provide some data in the sampling of the river.

Mr. Shelton replied that they had not at this time. They finished one round of sampling and actually did get a hit up in that area where it spiked up. They were going back to do some more intensive sampling starting around Walnut Cove and coming down and see if they could isolate any particular source but it would probably be good to get in touch with them as well.

Factors continued from previous slide

- The condition of their water plant filters
- The condition of their Water Plant Clearwells (Storage Tanks)
- The chlorine contact time before reaching the end consumer
- Water residence time in the Elevated Water Tanks
- Water residence time in the distribution system (Water Age)
- Residual Chlorine concentration in the distribution system

List of possible options and changes in the treatment process to achieve regulatory compliance:

- Ion Exchange - technology to remove DBP precursors
 - Alternate Coagulant – Ferric Sulfate, DelPAC, others
 - PAC – Powdered Activated Carbon
 - GAC -- Granular Activated Carbon
 - Chloramines (Addition of Ammonia to Chlorine)
 - Construction of new process improvements
 - Process changes in the application of chlorine
 - Distribution System Uni-direction Flushing Program
-
- Compliance with the Disinfection/Disinfection Byproducts regulations will not be a simple matter to resolve.
 - They are collecting a year's worth of sample data. This will be used to determine their best economic options.
 - There are at least 8 treatment options/process changes that can be made as proposed by Arcadis, their engineering consultant. Any one or a combination of these may be the best and the most cost effective option for their water system.
 - October 2013 is their compliance deadline. If it is determined that they must construct one or more of the expensive treatment options, they can get an extension of up to two years to complete the construction to achieve compliance.
 - Their cost to comply with this regulation could range from several hundred thousand to over six million dollars.
 - Estimated costs for the various options are contained in the spreadsheet on the next slide.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Eden Stage 2 Rule Compliance - Disinfection/Disinfection Byproducts

Summary of possible costs for various treatment approaches for the next 4 years

	ARCADIS Engineering Services Fee (\$)	Other Services (\$)	Capital Cost (\$)	Total Cost (\$)	Budget (\$)			
					FY2010-11	FY2011-12	FY2012-13	FY2013-14
Water System (source, treatment plant, distribution) Sampling/Testing and Planning Future Studies & Tests - General Consultation ⁽¹⁾	7,000		0	7,000	5,000	2,000	0	0
Treatability Study ⁽²⁾								
Pilot Testing - Ion Exchange	15,000	15,000	0	30,000	5,000	25,000	0	0
Bench Testing - Alternate Coagulant	25,000	0	0	25,000	5,000	20,000	0	0
Bench Testing - PAC	25,000	0	0	25,000	5,000	20,000	0	0
Pilot Testing - GAC	15,000	15,000	0	30,000	5,000	25,000	0	0
Bench Testing - Chloramines	20,000	0	0	20,000	4,000	16,000	0	0
Additional cost if tests performed in separate studies	10,000	0	0	10,000	2,000	8,000	0	0
WTP Targeted Condition Assessment Study	50,000	0	0	50,000	0	50,000	0	0
Process Improvements								
Stage 2 Rule Compliance ⁽³⁾	600,000	0	5,130,000	5,730,000	0	300,000	2,750,000	2,680,000
Condition Upgrades	100,000	0	500,000	600,000	0	100,000	250,000	250,000
Water System Modeling - Flushing Program	25,000	0	0	25,000	0	25,000	0	0
Stage 2 Rule Compliance Total:	\$892,000	\$30,000	\$5,630,000	\$6,552,000	\$31,000	\$591,000	\$3,000,000	\$2,930,000
<p>(1) = Does not include outside lab analytical costs; City to provide budget numbers for lab expenses under "Other Services (\$)"</p> <p>(2) = Assumes all analytical testing is performed by the City</p> <p>(3) = Assumes Ion Exchange technology is implemented</p>								

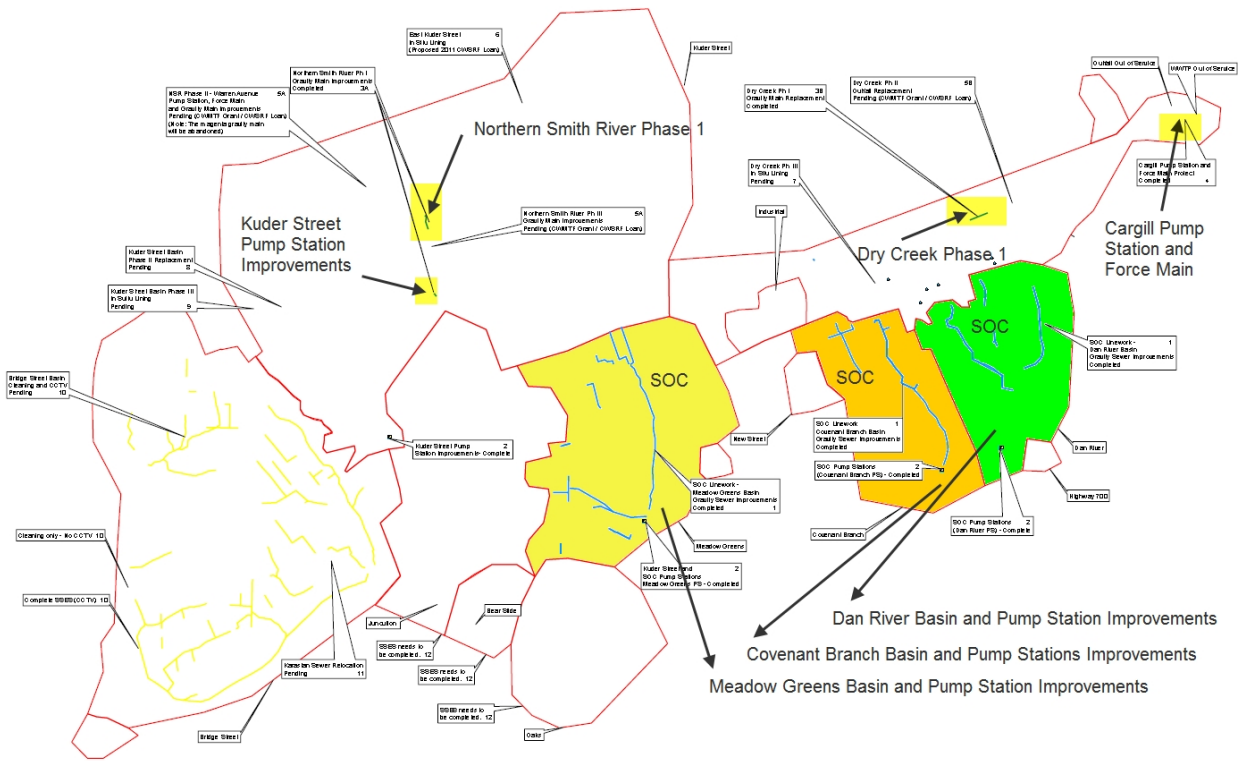
Sewer Improvement Projects

The 2003 Comprehensive Water and Wastewater Master Plan outlined infrastructure needs that totaled \$93,963,210 in 2003 dollars. Sewer projects totaled \$73,688,000 of this need.

Through the end of 2010, they have spent approximately \$11,175,000 to address these sewer needs. Of this amount \$1,093,460 has been grants or principal forgiveness loans.

The map in the next slide shows where this money has been spent.

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

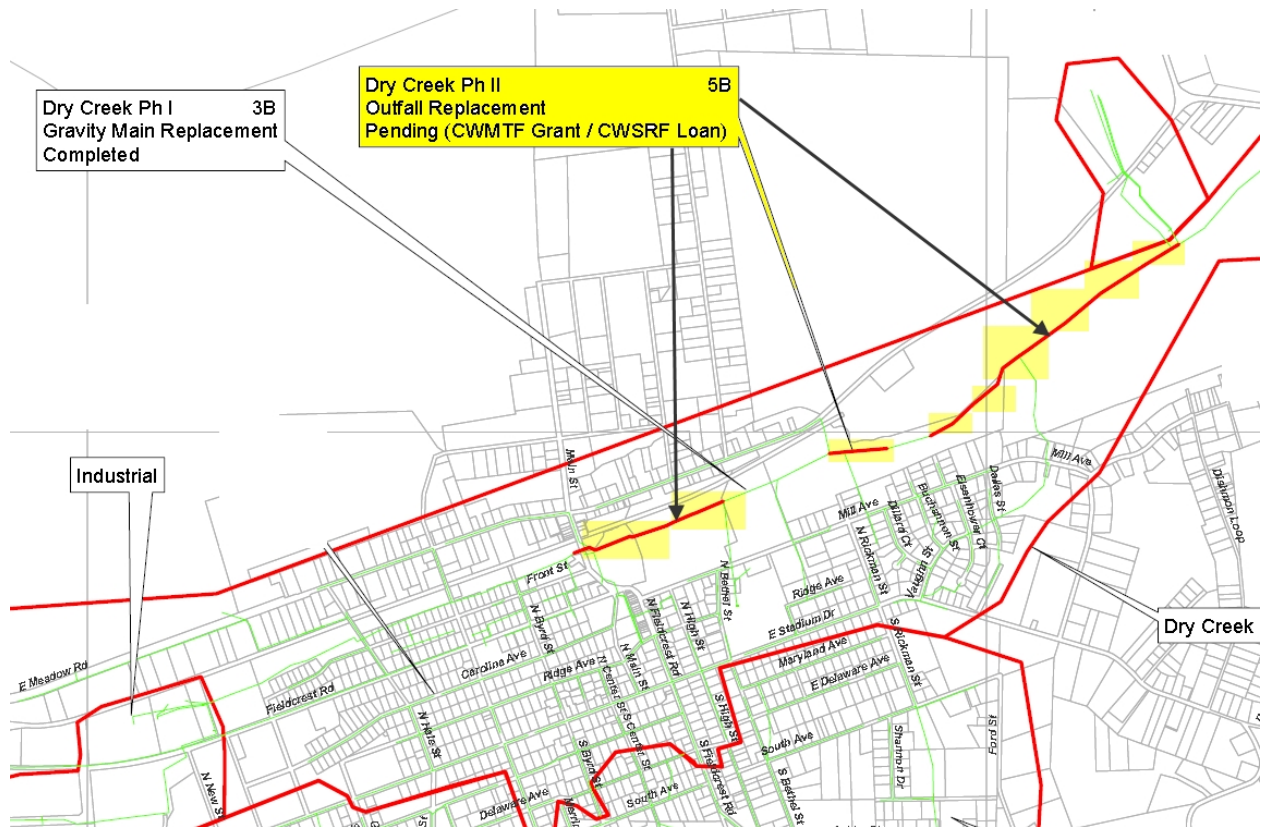
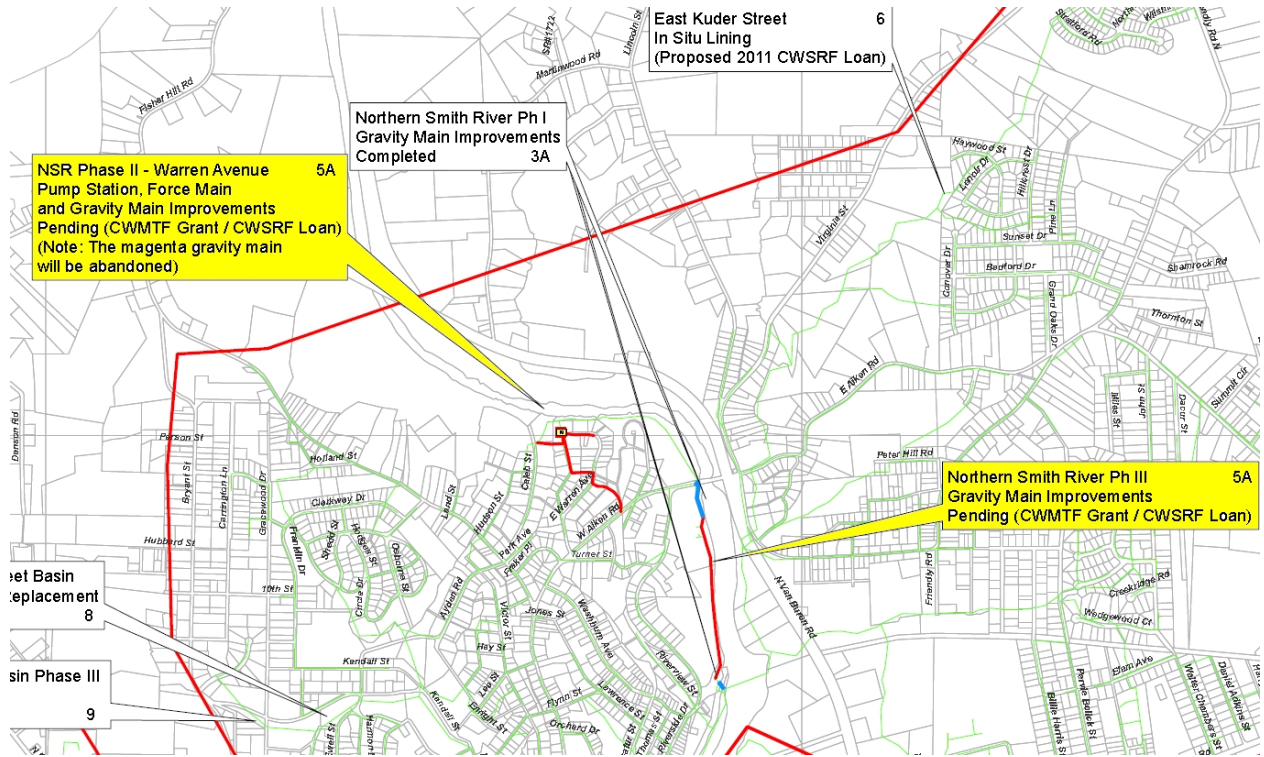


2010 was a good year in which the city qualified to receive low interest loans with principal forgiveness. Three elements aligned for this to happen; the city's median family income, the county's Tier One ranking, and their current water/sewer rates allowed them to be selected. They are hopeful that 2011 may also be a successful year for additional principal forgiveness loans.

The city has been awarded two loans with principal forgiveness from the North Carolina Construction Grants and Loans Section of Department of Environment and Natural Resources. They are completing the final information submittals to receive these funds. These loans will fund the Northern Smith River Phase 2 & 3 and Dry Creek Phase 2 projects.

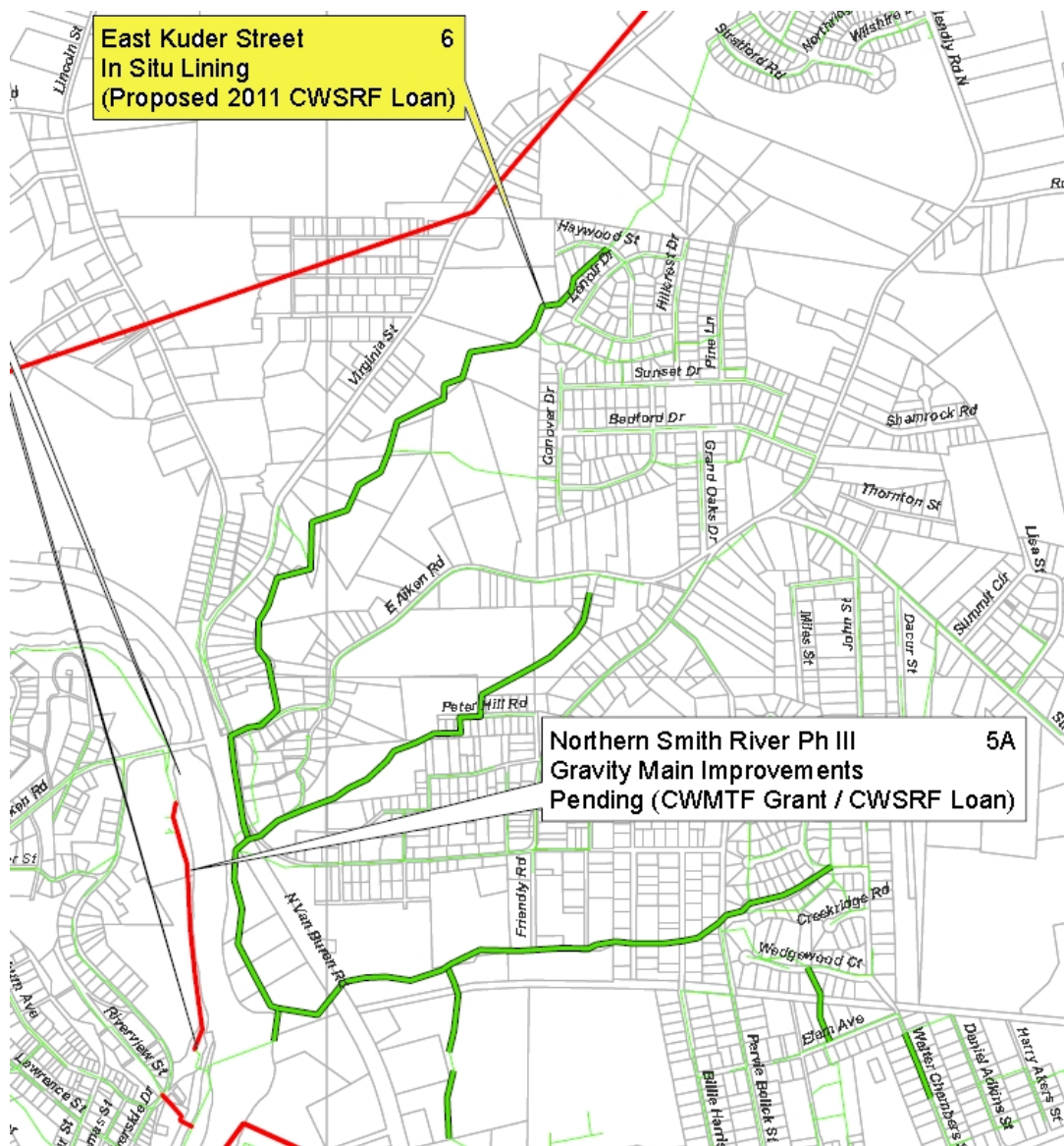
These two projects will cost \$3,144,692 and the principal forgiveness of the loans will be \$1,742,182. The remaining \$1,402,510 will require payments of \$100,000 annually for 20 years to retire the debt. The annual \$100,000 payment will be budgeted beginning in the 11-12 Budget

Council Member Carter asked if this was going to the other side of the river to which Mr. Shelton replied that part will be all on the west side of the river. They were working on another project that will parallel the other side of the river.



They are currently preparing a spring 2011 Application Package for the NC Clean Water State Revolving Fund. The East Kuder Street sewer rehabilitation project will replace and reline troublesome sewer lines in the Kuder Street Basin. This project will encompass an area parallel to Highway 14 near Aiken Road. Outfalls in this area have experienced overflows, inflow/infiltration, and failing conditions of the existing pipe.

The proposed East Kuder Street project will cost approximately \$2,500,000. They are applying for a loan with principal forgiveness of \$1,000,000. If they are successful with their application the city would have to fund the difference of \$1,500,000. The project would likely be designed and bid early in 2012. Actual construction would likely begin mid-2012. The map on the next slide shows the location of this project.



February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

City of Eden projects for loan/grant funding by State agencies are selected on the basis of a strong need to repair the failing or damaged sewer piping, a history of overflows or inflow/infiltration, locations where failures could threaten waterways, and recommendations from our staff. These criteria allow a project to be submitted that can score high in the application process. Currently, their projects are scoring very favorably against other projects submitted from around the State.

They have identified an additional \$11,463,000 more in potential sewer rehab work as they move further into the Kuder Street, Bridge Street/Matrimony Creek Outfall, and Junction Pump Station Basins. These expenditures will likely be spread over the next five to ten years unless grant opportunities appear to accelerate their time table.

Council Member Tuggle commented that they have done a great job with all the work and things they have done.

Mr. Shelton added that none of this was cheap work.

Council Member Burnette asked about the chloramine feed system that Reidsville has in place.

Mr. Shelton explained that they have not activated their system but it was in place. The City of Greensboro, because they sell water to Greensboro, paid for the installation, but pre chlorinated water with chloramine, any systems that are interrelated if one of them goes chloramine then it can all happen.

Council Member Burnette asked if this was a requirement of the Disinfection bi-products or was this the requirement of Greensboro.

Mr. Shelton replied that the Chloramine system was Greensboro and he thought High Point also has it. It was their choice of a way to make compliance with these regulations and they have to be complaint a year sooner than Eden would have to.

Council Member Hagood questioned using the Smith River.

Mr. Shelton explained that at this point it could be, but the water in either river was almost a tossup as far as the water quality. Twenty or thirty years ago the Smith River was a lot more degraded than the Dan and that was one reason Miller Brewery specified that all the water would come out of the Dan but as recently as 2002 Miller did some very extensive testing and their testing showed that the water was pretty much a tossup and their opinion was pretty much if it was wet send it to them, but he added that was during the drought.

Mayor Grogan thanked Mr. Shelton for his presentation. He noted that they were running ahead of time so they would just move on to the next item.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Review & Consideration of Creating a Leadership Academy for Citizens

Mayor Grogan recently read some information concerning an interesting program being offered by the City of Dublin, California. In 2003, the City of Dublin realized that the community was changing and that they needed to prepare and engage the citizens of their community and its future leadership. In 2004, the City began its first Dublin Leadership Academy (now referred to as Dublin 101). The annual program runs for 12 weeks and provides up to 20 community members with an opportunity to personally engage with the City Manager, Police Chief, Fire Chief, the City Council as well as other executive leaders in the City on issues of importance to their community.

The program is truly a look behind the scenes of local government, pointing out its role and limitations, as well as a glimpse into the long-term planning that makes Dublin what it is today. Since its inception in 2004, the program has seen 111 graduates who represent the diverse demographics of Dublin, including many new and long-time residents, local business people, as well as individuals working for non-profit organizations. Many of these graduates have gone on to serve in various capacities in the community, including at least one who decided to serve on the Planning Commission and was later appointed to the City Council.

Specifically, Dublin 101 is a series of 10 or so classes and workshops dedicated to providing residents and people working in Dublin with an overview of how their City Hall and City Council work to get things accomplished, new developments in Dublin, and what Dublin's future looks like. The Dublin Leadership Academy is funded from the Mayor's discretionary budget and is organized by the Dublin Assistant City Manager.

Additional information concerning the Dublin Leadership Academy has been included for your review. Mayor Grogan asked that I prepare this short write-up and attachments so the concept of initiating a Leadership Academy in Eden could be discussed and considered by the members of City Council.

The additional information that Council received is located in the office of the City Clerk.

Mayor Grogan explained that this was something that really jumped out at him and with all the different groups meeting in Eden and all over the county; this was really an opportunity for the City Council to come up with a leadership academy for citizens. He noted that the information from Dublin was included in their packet and the biggest cost to Eden would be the time that their department heads would give in teaching time. He then turned the floor over to the City Manager.

Mr. Corcoran explained that the Mayor hit the highlights. Basically, the way they run it, they open it up as an application process with about 20 people per year. It was held one night a week over a 12 week period. This was typically done in the fall so as to avoid the summer vacations and budget season and the topics just rotate. It was basically just an introduction to city government and what departments and divisions do. He stated that Mayor Grogan had asked that this information be included to see if there was any interest in the Council in terms of setting up something similar here in Eden

Council Member Tuggle commented that it would be a great communication device to try to get out the right information to different members in the community. He pointed out that it would be just an extension of what they would be doing to make presentations and people what was actually going on in the city because a lot of people just did not know.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mr. Corcoran suggested that some of the questions they would have to ask themselves, first of all how would they select people. Was there going to be a cap, for instance, say they decided to do it and they had an application and 60 people wanted to do it. He asked if they would take all 60 at once and if they did not, who were they going to take and who would make that decision. So, there were several questions to it. He asked what if they put it out there and only 4 people expressed an interest. Then would they really want to invest that level of staff time for just a handful of people.

Council Member Burnette asked if they had not included some criteria.

Mayor Grogan replied that it was in the information.

Council Member Turner added that of course they want citizens to be well informed, but what was their expectation when they finish the classes other than just general conversation.

Mr. Corcoran replied that was about it, from what he could gain. A couple of them have gone on and been appointed by Council to serve on a community board and of the 100 graduates, one was appointed to fill an unexpired term.

Council Member Epps commented that it gives you a good idea of some of your top citizens like he said; you have to have more than 4 or 5.

Mr. Corcoran added that it was at either end of the spectrum. If you only have a couple of people interested, what do you do and if you have a large number of people what do you do.

Council Member Tuggle suggested that they just have the criteria set and go by it and if you do not have enough people to justify it then you do not do it.

Mr. Corcoran used as an example; they determine 25 people and they have 50 applications, who then makes the decision of what 25 were picked. He added that he did not think staff should do it and then that puts the Council in a precarious position.

Council Member Turner suggested that they may just have to draw out of the hat which sounds kind of crazy but...

Mr. Corcoran asked how they would prevent "clicks" from certain groups getting in and dominating. He pointed out that if they think about it a while, they can come up with a whole ton of questions.

Council Member Burnette commented that they were all good questions and he thought those were things they would definitely want to consider before going forward and putting those criteria in place. He added that he thought the likelihood of having 4 applicants was much more likely than having 50. He suggested they put something in place with a minimum and until they got that minimum they could not offer it.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Ellis disagreed and stated that he thought that right now, with everything they have in the city and the county he thought they would have a lot of applicants.

Council Member Turner suggested that they might think of even advanced high school students. She noted that they really did not know anything about local government and as they are taught in civics and economics that was just a one day discussion and then you go on from there. How would they know if they had an interest because they are not exposed to it? This would be a chance to maybe expose it to a high school group and it might be worth it.

Council Member Tuggle stated that he thought it would be a good PR tool for the City of Eden and you get an opportunity to network and talk to people about what the employees and the City Council actually does.

Council Member Ellis added that sometimes it was implied that they were trying to hide something.

Mr. Corcoran continued by stating that if they decide that was what they would want to do then the decision would be of what staff person would have the responsibility, because it would not happen overnight, coordinating it, lining it all up, getting the speakers, this was a tremendous amount of work

Council Member Epps stated that he would just put the probe out there and see what kind of reaction you get first before you make a decision.

Mr. Corcoran pointed out that someone would have to be assigned the ultimate responsibility of overseeing this and being in charge of it.

Mayor Grogan added that Leadership Rockingham has some criteria that they use in accepting applicants so they might not have to reinvent the wheel.

Council Member Epps stated that he liked the idea that maybe their personnel in different parts of government could meet in the schools and give a quick class would help, that way you would have that one person assigned different times of the year to go to the school and make a presentation.

Mr. Corcoran explained that most of them might be aware that for years the middle school had the Communities in School program at the middle school. The City Clerk would coordinate with Ms. Peyton Cherry as to who the speakers would be. Basically it rotates, you may have the Fire Department one week, the Police the next week, or someone from the Utilities. The children were allowed to sign up for different electives or areas of interest so if they expressed an interest in municipal government those were the ones the staff spoke to. This involved about 25 kids at a time. He added that he thought that they probably would have more citizens that would sign up for this and if they wanted to do something for the high school they would almost have to offer it as a second program or two times. He suggested maybe the student members could meet in the afternoon and that night the adult members would meet.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

He added that it looked to be very similar to Communities in Schools and you rotate from topic to topic each week, so you might have Police personnel one night and it would end up with a tour of the Police Department. Another night you may have the Fire Department and another night you may have Planning and Zoning. A lot of department heads here have gone to the Institute of Government's Municipal Administration class. This was very similar. The Municipal Administration class was for someone who may be a City Attorney or a Public Works Director, they may not be cognizant of all the other functions that the municipality performs so they go to this class and that makes them a better-rounded individual when it comes to municipal government services.

Council Member Burnette stated that it sounded like it was also a lot like the orientation that the Council gets.

Mr. Corcoran added that they may even set up field trips. He stated that they could set it up however they want. He suggested that on the night they do Public Utilities, they might actually go over and meet upstairs at the water plant, get a tour of the water plant and then go across the street and get a tour of the sewer plant.

Council Member Ellis asked how many people were on the city boards.

Ms. Stultz replied that she had 10 members in 2 boards and the other 3 boards have 8 members. That was a total of 44. Then there was the Main Street group and also the River Development group.

Council Member Ellis stated that would be his starting point, as they were the ones who were interested and were already involved with the city itself.

Mayor Grogan clarified that their first 25 students would come from that group.

Council Member Turner pointed out that they had a possibility of maybe 60 to 70 people in all those groups.

Mr. Corcoran suggested that they send them an invitation and then see who was interested.

Council Member Turner suggested they could use Facebook to see if there was an interest along with Eden's Own Journal and the newspapers.

Council Member Burnette commented that it sounded like they we just need the criteria and the cost to determine whether to go forward with it or not.

Council Member Turner added that they would also need possible staff time numbers.

Mr. Corcoran replied that they would try and put some additional information together and bring that back to them.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Mayor Grogan noted that there was another 30 minutes before lunch gets here so he asked that they continue to the next item, which was the Council's discussion.

Brainstorming/Open Discussion - Free Time For Mayor & Members Of City Council To Select Additional Topics For Discussion From The Priority Topics Below That Were Submitted By Either The Mayor Or Members Of Council.

- Beautification/Litter Efforts (*Carter, Ellis & Turner*)

Council Member Ellis stated that he noticed the young man who was doing the clean up around the city's signs has been more visible this year than he has ever been. He noted that with the beautification of the city with that CAT team this past summer, it has probably been the strongest they have seen. He stated that when he first got on Council the stickers and things like that have kind of gone away and if they could revitalize that a little bit he thought that a lot of people had started thinking about how the properties were cleaner.

Council Member Turner pointed out that they needed to have some work to done to their entrances where there was a lot of signs. She stated that when you come in on South 14 she did not know how people could drive down the road from trying to look at all the signs. They probably at this point in time have too many signs and it gives them a cluttered look. She explained that there seemed to be no unification of the signs. That was probably one of the biggest gateways to Eden and she would like to see them concentrate some efforts to get some of that under control.

Council Member Hagood added that there were 60 signs around the Spray traffic circle.

Ms. Stultz commented that she spent about a year and a half, once they put the signs up, begging them to take them down and in fact some NCDOT guys were over here in the last couple of weeks and one more time the question was asked, why can Raleigh's Hillsborough Street have one with no signs and Eden's was covered up and Eden has had that circle for more than 100 years. She stated that they claimed they were trying to help her get rid of some of them because it did not do much good to beautify them a lot when all you see are the signs. She noted that they also have a member of their CAT team that was doing a sign inventory and the staff was working on revitalizing their sign regulations. This inventory will also let them know whether a sign has been abandoned or not.

Council Member Turner asked if they had any recourse for at some point in time fining these people for putting up too many signs or do they just remove them.

Ms. Stultz replied that they have to pick and choose when they get out and they will definitely in the next little bit get two people out in a pickup truck and get as many as they can. She explained that what happens when they do that, they also pick up real estate signs and those things and that creates a few problems but it was necessary. She added that this was a problem that was not unique to Eden; however as they firm up their sign regulations she thought they could....

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Turner asked if that was one of their first recourses.

Mr. Corcoran commented that to help keep it in perspective, you would probably be amazed to know, but from Edgewood going east, there were approximately 900 signs.

Ms. Stultz added that some were legal and some were not legal. Then you have people tack up something on poles, in front of their yards.

Council Member Turner asked if they were talking about street signs, stop signs or every kind of sign.

Mr. Corcoran replied no, they were business signs, pizza signs, religious signs, or anything but directional signs.

Council Member Epps pointed out that there was a State law about signs on telephone poles.

Ms. Stultz replied that was correct and what they have to do was go and pick them up. The NCDOT will try and get a lot of them on State rights of ways depending on how their staff time was going but they will get out, two people in a truck, and get up as many as they can.

Ms. Erin Gilley, City Attorney, noted that she did not think they have the ability to fine, as it was not in the ordinance.

Ms. Stultz added that if they have a commercial sign and they have put up a sign without a permit they can get them on a zoning violation.

Mr. Corcoran stated that a lot of the problems were still just public awareness but the other thing was people need to take pride in their community and pride on their own property. For example, he noticed one day that Early Avenue had been cleaned and it was beautiful that morning. By that afternoon it was almost back as bad as it was before they started in the morning, because people just feel like, especially that stretch where there were no houses, they just throw out their cup or bag. The other thing, he would not name the street but, there were people out cleaning, they were picking the trash in the right of way on the road and there was a man sitting on his front porch and he yelled to the workers and told them not to forget that piece of trash right there and he was pointing to the middle of his front yard. He stated that his point was, they could take them and show them where an employee has picked up and cleaned up an area and within a matter of days it was almost as bad as it was before. It was a never ending cycle. If you could catch some of these people littering and fine them it would be great. It was a personal pride thing.

Ms. Stultz stated that they were doing the Keep America Beautiful program and were also going to have a Keep Eden Beautiful program and a lot of that was involved with community awareness. It was a huge problem but they were doing much better by having the CAT team. Right now they have a really small group out there working but in the summertime they can make a big headway. She added that in 2 ½ days last week dodging rain, the team started at the

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

river and went to the city limits north, and she thought they filled up the dumpster at the Draper Fire Station, City Hall and the one at Bridge Street and there was still some bags in the truck.

Council Member Turner asked if they were having many applicants for Adopt A Street.

Ms. Stultz replied that it ebbs and flows. Right now they have an extremely well organized and active Appearance Commission. Keep Eden Beautiful will be a sub group of that and they were hoping that will help push adopt a street and adopt a spot along.

Mayor Grogan also pointed out that they have the Chamber of Commerce and those people have a big vested interest in this town and they should also get out and help get this town clean.

Council Member Ellis moved to another topic which was cell phones. He asked if they had a policy on cell phones.

Mr. Corcoran replied that they did and it also included pulling over to operate the phone and no texting or personal use. Each Department Head monitors that.

Council Member Epps expressed concerns about the inaccuracy of Google and GPS. He had more people try to find his church and get sent to the wrong place.

IT Manager, Kevin Taylor explained that the problem with Google was that they do not maintain their own map site and the third party has not been updating it.

Mr. Corcoran also asked if anyone had any question about their intentions to put the Drop Port Site in the back parking lot. Basically as they all know they had to remove it from Food Lion and a site had been identified next to the lumber company but the property owner wanted \$250 a month, it had to be graded and fenced and so the more they discussed it, they identified an area out back. He asked if there were questions. It was the City Council's consensus to move forward.

Upcoming FY 2011-12 Budget (*Ellis, Epps & Tuggle*)

Sidewalks (*Ellis & Turner*)

Pursue Funding Opportunities for Next Phase of Greenways (*Ellis & Grogan*)

Solid Waste Program & Recycling (*Burnette & Ellis*)

Reduce Spending (*Hagood*)

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Cost/Benefit of Economic Development (*Hagood*)

Cost/Benefit of Utilizing a Motor Vehicle Pool (*Hagood*)

Size Comparisons Based on Model of Peer Communities (*Hagood*)

National Night Out (*Burnette*)

Recreation (*Ellis*)

Communication (*Ellis*)

Other

Council Member Burnette proceeded to present a PowerPoint on Eden Job Readiness. *A copy of this presentation is located in the office of the City Clerk and on the city's website.*

Council Member Burnette explained that this was something that he and Councilman Tuggle had been involved in along with Mr. Dougherty for several months now. Council Member Tuggle had been asked because of his background with the first early college in North Carolina at GTCC and his (Burnette) involvement was because of his association with the Rockingham County Educational Foundation. He explained that they were approached by RCC about the possibility of beginning a program in the Eden area called Basic Skills plus and basically this allows people to improve their skills so that they become more employable. Council Member Burnette really pushed on this and certainly they agreed that this was really not enough as they could make people more informed but was there something that they could do to help people actually find a job in some way. He added that they did not want to go around the Employment Security Commission but was there something the City of Eden could do.

Eden Job Readiness Background

Initial discussion with RCC and Eden citizens

- Initiate program within Eden area
- Address employable skills
- Not enough
- Can we do more to help people become employed?
- What other resources do we need?
- Consider Goodwill

Goodwill partnered with RCC several years ago

RCC began programs at Goodwill in Reidsville: Adult Basic Education, GED, HRD

Goodwill began Resource Center to assist people in becoming employable and finding jobs.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Expected to serve about 500 individuals per year --- has grown to over 3000

Initial program was so successful that major changes have occurred

Building has doubled in size

RCC offering the following Allied Health classes at Goodwill

- Certified Nursing Assistant I
- Medication Aide
- Medical Office classes
- Pharmacy Technician

Current Conditions

- High usage of computers at Eden Library for resume submittal
- Lack of travel resources to Wentworth
- High school graduation rate lowest in county at Reidsville and Morehead
- Most economically challenged high schools in county-Reidsville and Morehead
- Goodwill and RCC serving some of these needs in Reidsville

Proposal for Consideration

- Pilot project for two years
- Partnership with RCC, Goodwill and City of Eden
- Operation of facility would begin with daytime hours
- What does each entity provide in the partnership?

RCC Will Provide

- All program and technical skills training equipment and instructors. Currently RCC provides >\$76,000 in equipment at Goodwill in Reidsville.
- All programs to be offered "FREE" include
Adult Basic Education
GED-General Education Development
ESL-English for speakers of other languages
HRD-Human Resource Development
Basic Skills Plus (Recently approved by State Board of CC. RCC will be making application.)

Council Member Tuggle commented that they just wanted to see what they could do proactive to try to provide job skills, job training and job education and have something that was in Eden that was identified as a place to diligently provide jobs for people. He stated that they just thought this was a great opportunity to have a particular place in Eden where people know that they could go to and get skills and it might lead to the possibility of jobs in businesses or industries that come in and prepare people for jobs. He stressed that they would not even consider doing this if they did not have the City Council behind them.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

Council Member Turner added that this was also compounded by the gas prices to which Council Member Tuggle agreed and even going to Wentworth, if you are poor and do not have money, you are not even going to get in the car and go to Wentworth, but you will go down town and if they know there was a particular place in Eden that was identified as a place that would help the get the job skills to get a job they thought this would help...

Council Member Burnette stated that they had some preliminary discussions with Goodwill and they were interested in what this may turn into in the future.

Goodwill Will Provide

- Two full time staff-a receptionist and an assistant coordinator
- Career counseling
- Resume assistance
- Computers for access to internet, job application, word processing
- JOTO-Jobs on the Outside

Council Member Burnette pointed out that RCC will provide the training of the instructors but Goodwill would commit to 2 fulltime staff people, a receptionist and an assistant coordinator. He stated that they would offer is career counseling, resume assistance, and he understood that they would actually write the resume. He stated that he was very impressed when they went to that location, the traffic for people using this assistance that was there. They had a room with five computers and they were all occupied.

He noted that the Jobs on the Outside (JOTO) program that was offered was for offenders to help them get jobs.

City of Eden to Provide for Two Years

- Facility
- Lease
- Utilities
- Janitorial service

**** Economic Director Role of informing Eden Industry and Business**

Council Member Burnette explained that they were telling them what they know at this point. Another thing, one of Mr. Dougherty's responsibilities would include making sure that their businesses and industries know about this facility. Ultimately they would hope that this will be successful and then at some point RCC will begin to offer services in training for the needs of this community.

What do we want today?

- No money or commitment of money.
- Just do you want us to continue to explore this?

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

- Ultimately there will be some commitment of \$ in the budget if given final approval
- Time frame-this budget cycle

Council Member Burnette stated that they were not asking for money or commitment of money at this point. He explained that they were asking the Council if they want to continue to explore this opportunity and report back to them. Ultimately there will be some commitment of money but he could not tell them how much. If they lease, they will probably be looking at \$12,000 to \$15,000 a year and then some additional up fit costs, but they were looking to try to get this resolved. If they want to do it, once they get the final figures, do this within this particular budget cycle.

Council Member Tuggle added that the question would be, was it worth \$12,000 or \$15,000 or whatever this up fit would be to have a center that would create jobs and training and education for citizens for a 2 year pilot program and then after 2 years then they could decide if this was something they want to see and Goodwill may eventually build a building which would take them out of the leasing part of it.

He explained that they would not want to even pursue doing something unless they wanted to pursue it. They were really looking to try to find something that would be good to help the citizens of Eden. This was what all this stuff was about, trying to find jobs for people. So he asked if it was worth their time to do this and if the Council wanted them pursue it. There was no commitment on money or anything now but when that comes then that will be another decision.

Council Member Turner commented that it seemed again that those bases should be covered. When you think about all these layers, the literacy program, adult education, you are talking about the GED, she was really surprised that they were still missing these people and she guessed they were missing them in the Eden location.

Council Member Tuggle agreed and stated that sometimes you just have to take care of yourself. You have to be proactive, go out and do something, put it in place and take care of yourself and that was sort of the approach for doing this. They wanted something here in Eden that the people of Eden will identify as being as a place to get job skills or find out where to get jobs. They could go to Wentworth but more than likely if they know there was a certain area here in Eden then they were more than likely going to get connected with that.

Council Member Epps asked if they needed motion to pursue this to which Council Member Tuggle replied that they could get a consensus from Council.

After discussing with the Council, Mayor Grogan announced that it was the consensus of Council to proceed with pursuing the program.

February 26, 2011

Minutes of the February 26, 2011 meeting of the Eden City Council, Continued:

LUNCH BREAK

Mayor Grogan opened the meeting back up and noted that lunch had been provided by Nanny B's. He noted that they would be getting back together again for an April budget meeting and he asked if there was any more discussion at this time.

Council Member Ellis stated that he would really like to see those computers for the after school program put in the recreation sites.

Mr. Corcoran replied that they had some at each center.

Mr. Johnny Farmer, Director of Parks & Recreation, explained that they have 4 at the Mill Avenue site and 2 at the Bridge Street site. He pointed out that the current problem was that they did not have the space for additional computers because they have to be in a secure location. One of the things he presented to the City Manager in the budget was on the top level at the Mill Avenue site, he wanted to construct a room up there and they have a price for that. When that was done they could then secure it and wire it to have more computers there. He explained that they just needed to make sure to put it in a secure location so that when the building was rented people could not just go in there. Once they get that room done they can look into getting a few more computers there at the Mill Avenue site. He noted that it would be harder to put them at the Bridge Street site because the gym and community rooms were rented out and open to the public so they try to put them in the office area where the staff was at.

Council Member Epps commented that he had seen one recreation center use a type of chain link fence instead of walls so they could lock them and so forth.

Mr. Farmer explained that the reason for doing walls was that right now they did their homework basically at a gym and kids were out there playing ball. This room would provide a private area for those students and it was something that was very inexpensive. He added that it was about \$2500 and then he thought then they would be able to add some additional computers.

As there were no other comments or questions Mayor Grogan asked for a motion to adjourn.

ADJOURNMENT:

A motion was made by Council Member Epps seconded by Council Member Ellis to adjourn. All Council Members voted in favor of this motion. This motion carried.

Respectfully submitted,

Sheralene S. Thompson City Clerk

ATTEST:

John E. Grogan, Mayor